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GENERAL

1. US favors continuation of Austrian talks--The Department of State has advised the US representative at the Austrian treaty negotiations in London of its view that a decision to break off the discussions must take fully into consideration the effect on the general international situation. The Department believes that even though there is no indication that the USSR intends to conclude a treaty at this time, there can be no harm in attempting to negotiate other points of the Austrian treaty besides the Yugoslav claims, on which the USSR cannot be expected to make concessions until public attention has been diverted from the issue. The Department feels that international opinion would probably question the motives of the US if adjournment were to be taken with only a preliminary consideration of other disputed articles. The Department therefore considers that the US should not risk adjournment until there is some clarification of the international situation or until every negotiating possibility has been exhausted.

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State Dept. declassification & release instructions on file

THE C.I.A. HAS NO OBJECTION TO THE DECLASSIFICATION OF THIS DOCUMENT.

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Auth: Prince Prince



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